

March 15, 2017

VIA ELECTRONIC FILING

Ms. Jocelyn Boyd
Chief Clerk and Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Dear Ms. Boyd:

Re: Supplemental Filing
Quarterly Monitoring Report by Piedmont Natural Gas Company, Inc.
Docket No. 2016-7-G

Enclosed herein is a copy of the South Carolina Natural Gas Rate Stabilization Act quarterly monitoring report for the twelve-month period ending September 30, 2016, for Piedmont Natural Gas Company, Inc. (“Piedmont” or “Company”). This report is identical to that previously filed by the Company in this docket on December 15, 2016. The Company’s December 15, 2016 filing included a certification from two officers of the Company – Franklin H. Yoho (Executive Vice President and President, Natural Gas) and Bruce P. Barkley (Vice President, Regulatory & Community Relations). The Company’s Chief Executive Officer and Chief Financial Officer have since reviewed this quarterly monitoring report for the twelve-month period ending September 30, 2016. Their certifications to such are attached herein.

If you have any questions about this filing, you may reach me at 704-731-4259.

Sincerely,

/s/ Pia Powers

Director – Gas Rates & Regulatory Affairs

Enclosures

cc: Bruce Barkley
Jeff Nelson
James H. Jeffries IV
Brian Franklin

Net Operating Income and Rate of Return
For The Twelve Months Ended September 30, 2016
South Carolina
Page 1 of 2

	(1)	(2)	(3)
	<u>Per Filing</u>	<u>Accounting And Pro Forma Adjustments</u>	<u>After Pro Forma Adjustments</u>
Operating Revenues			
Sale of Gas	\$ 116,946,209	\$ 19,159,164	\$ 136,105,373
Other Operating Revenues	799,992	-	799,992
Total Operating Revenue	<u>\$ 117,746,201</u>	<u>\$ 19,159,164</u>	<u>\$ 136,905,365</u>
Operating Expenses			
Cost of Gas	\$ 47,566,738	\$ 11,015,998	\$ 58,582,736
Other Operation & Maintenance	32,604,647	(1,017,258)	31,587,389
Depreciation	12,731,579	(593,335)	12,138,244
General Taxes	7,033,811	170,920	7,204,731
State Income Taxes	520,347	545,587	1,065,934
Federal Income Taxes	3,235,906	3,850,654	7,086,560
Amort. of ITC	(18,567)	-	(18,567)
Total Operating Expenses	<u>\$ 103,674,461</u>	<u>\$ 13,972,566</u>	<u>\$ 117,647,027</u>
Net Operating Income	<u>\$ 14,071,740</u>	<u>\$ 5,186,598</u>	<u>\$ 19,258,338</u>
Interest on Customer Deposits	(96,572)	-	(96,572)
Amortization of Debt Redemption Premium	-	-	-
AFUDC	241,356	-	241,356
Customer Growth	123,831	45,642	169,473
Net Operating Income For Return	<u>\$ 14,340,355</u>	<u>\$ 5,232,240</u>	<u>\$ 19,572,595</u>
Original Cost Rate Base			
Plant in Service	\$ 518,363,597	\$ -	\$ 518,363,597
Accumulated Depreciation	(215,349,980)	-	(215,349,980)
Net Plant in Service	<u>\$ 303,013,617</u>	<u>\$ -</u>	<u>\$ 303,013,617</u>
Add:			
Construction Work in Progress	29,555,512	-	29,555,512
Materials and Supplies	7,300,255	-	7,300,255
Cash Working Capital	3,459,081	(127,157)	3,331,924
Deduct:			
Customer Advances for Construction	-	-	-
Customer Deposits	2,016,692	-	2,016,692
Accumulated Deferred Income Taxes	63,105,945	-	63,105,945
Unclaimed Funds	125,335	-	125,335
Total Original Cost Rate Base	<u>\$ 278,080,493</u>	<u>\$ (127,157)</u>	<u>\$ 277,953,336</u>
Return on rate base	<u>5.16%</u>		<u>7.04%</u>

Net Operating Income and Rate of Return
For The Twelve Months Ended September 30, 2016
South Carolina
Page 2 of 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			After Accounting and Proforma Adjustments						
	Per Books Capitalization	Accounting and Pro Forma Adjustments	Settlement Capitalization	Calculated Ratio %	Ratio %	Cost Net Investment	Embedded Cost %	Overall Cost Rate %	Net Operating Income
1. Long-Term Debt	\$ 1,781,234,552	\$ -	\$ 1,781,234,552	52.88%	47.00%	\$ 130,638,068	4.76%	2.24%	\$ 6,218,372
2. Common Equity	1,587,525,103	-	1,587,525,103	47.12%	53.00%	147,315,268	9.07%	4.80%	13,354,223
3. Total	\$ 3,368,759,655	\$ -	\$ 3,368,759,655	100.00%	100.00%	\$ 277,953,336		7.04%	\$ 19,572,595

CERTIFICATION


I, Lynn J. Good, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

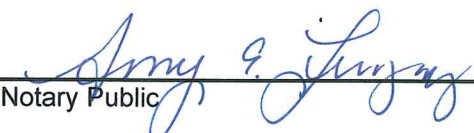


Lynn J. Good
Chairman, President and CEO



Date Signed

Subscribed and Sworn to before me this
 day of March, 2017.



Notary Public

My Commission Expires 11/16/17.



CERTIFICATION

I, Steven K. Young, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

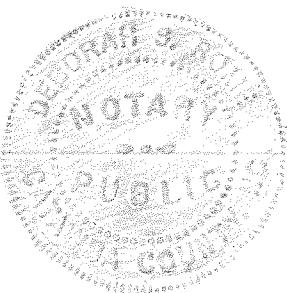
Steven K. Young
Steven K. Young
Executive Vice President and CFO

3/2/17
Date Signed

Subscribed and Sworn to before me this
2 day of March, 2017.

Deborah S. Rome
Notary Public Deborah S. Rome

My Commission Expires January 24, 2020



CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached document is being served this date via email and UPS Overnight upon:

Jeffrey M. Nelson
Office of Regulatory Staff
1401 Main Street
Suite 900
Columbia, South Carolina 29201
jnelson@regstaff.sc.gov

And that a copy of the attached document is being served this date via email or U.S. Mail upon:

Bruce Barkley
Vice President
Regulatory and Community Relations
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
bruce.barkley@piedmontng.com

and

Pia Powers
Director – Gas Rates & Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
pia.powers@piedmontng.com

This the 15th day of March, 2017.

/s/ Richard K. Goley
Richard K. Goley